



Gluten-Free Market Trends

Source: [The Gluten-Free Agency](#)

Our trend data shows the gluten-free target audience to be 44 million strong. In order to understand the dynamic growth trends taking place in the gluten-free market it is important to understand gluten and its relationship to: celiac disease, wheat allergy, gluten intolerance and gluten sensitivity. With several different gluten-free motivations, marketing to these different consumer groups can be a challenge.

What is Gluten? Gluten is a protein found in wheat, rye, barley or any of their crossbred varieties and derivatives. In baking, gluten is the binding agent within the flour that prevents the baked good from crumbling. As such, gluten is found in many processed and packaged foods.

What is the Difference Between Allergy and Intolerance?

Allergy: When referring to food, an allergy can be defined as affecting the immune system and having an immediate reaction upon ingestion. The main step required to avoid this reaction is to eliminate the offending food(s) completely. Common food allergens include: eggs, milk, fish, peanuts, shellfish, soy, tree nuts, and wheat.

Intolerance: A food intolerance can be defined as affecting the digestive system and as such, it typically takes longer for a reaction to occur. The main step required to avoid a reaction is to eliminate the offending food(s), or to moderate one's consumption of it. Common offenders include lactose (from milk-based products).

Who is the Gluten-Free Consumer?

A few years ago, gluten-free products were virtually unheard of except in specialty health food stores. Now, it's become more difficult not to see some gluten-free product featured in regular supermarkets and hypermarkets. In some cases whole aisles are dedicated to gluten-free packaged foods, along with other specialty foods such as diabetic and lactose-intolerance foods. Globally, around 20% of consumers in a Datamonitor survey said that they avoid certain foods due to an allergy or intolerance most or all the time. A further 22% claimed to do this occasionally. This is a large worldwide market for many companies wishing to launch intolerance and allergen-free products. According to Datamonitor, those who are influenced by gluten-free claims are healthier eaters, more ethical, experimental and more influenced by natural and organic ingredients than the average global consumer.

Consumers in the 50-64 and 25-34 age ranges in North America are also more likely to be influenced by gluten-free marketing. Males are also more influenced by gluten-free marketing and claims than females, in North and South America.

What is Celiac Disease? Celiac Disease (CD) is an inherited, autoimmune disorder in which proteins from the grains wheat, rye and barley (collectively called gluten) damage the small intestine. The only treatment for CD is a strict, lifelong gluten-free diet. With a prevalence rate of about one in 133 people worldwide, between three and four million North Americans have the disease, but it is estimated that only 5% to 10% are currently diagnosed.

The Consumer with Celiac Disease:

A very diverse group of consumers purchase gluten-free products. The main group includes those with celiac disease (CD), for whom a strict gluten-free diet (GFD) is the only treatment for managing the disease and reducing the risk of other complications. However, what is important to note is that gluten-free products may be purchased by those with a wide variety of other conditions, including non-celiac gluten sensitivity, wheat allergy, autism, ADHD, multiple sclerosis and irritable bowel syndrome (IBS). The

following is a brief review of the conditions for which gluten-free is applicable.

Others with Gluten Sensitivity:

It is possible to be intolerant to gluten without having CD or a wheat allergy. Individuals may have similar gastrointestinal symptoms as those with CD, but no damage to the intestinal tract nor will they develop complications associated with CD. It is not known how many people have gluten sensitivity, but a growing number of individuals are being identified.

Wheat Allergy:

Eight major foods (including wheat) account for almost 90% of food allergies. It is estimated that as many as 6% of young children and about 2% to 4% of adults suffer from food allergies. According to a 2008 report from the Centre of Disease Control and Prevention food allergies in children increased by 18% from 1997 to 2007.

Autistic Spectrum Disorders:

ASD is a group of developmental disabilities that includes autism and Asperger's syndrome. Individuals with ASD have problems with verbal and non-verbal communications, difficulties with social interaction and have a tendency toward repetitive behaviours or narrow, obsessive interests. Despite limited scientific studies, there are anecdotal reports from many parents that a gluten-free, casein-free (GFCF) diet may help their child communicate more effectively and improve overall wellbeing.

Shopping Behaviours of Gluten-Free Consumers:

- 55% spend 30% or more on their grocery budget for gluten-free foods
- 68% shop at three or more stores per month to find gluten-free foods
- When asked if they could find the same products at all the following stores where would they most prefer to shop for gluten-free foods:

71% grocery store (where I shop for most of my family's groceries)

9% independent natural or health food store

8% mass merchandiser

7% natural food chain (e.g. Whole Foods)

5% club store (i.e. Sam Club)

0.1% drug store

- Product selection is the most important factor, followed by low price, convenience, good service, close to where they live, knowledgeable staff to help, friendliness of staff, and close to where they work
- The majority (77%) agreed it was hard to find good tasting gluten-free foods
- More than half (57%) have tried ten or more new gluten-free products in the last year.

Source: 2008 Understanding Gluten-Free Shoppers' Survey Gluten-Free Market Size and Growth.

Sales of gluten-free packaged foods have been increasing in both volume and value at a faster rate than lactose-free and diabetic packaged foods. However, to make a fair comparison between the growths in gluten-free versus diabetic foods, the low/no/reduced sugar and low/no/reduced carb markets must also be included. Most diabetics do not purchase foods labeled as simply "suitable for diabetics" and this market has subsequently not grown in significance in the U.S. This is because the more popular packaged food markets for diabetics are sugar-free products. It is not very likely that the market sales for gluten-free packaged food will ever catch up to sugar-free beverages, but it may in fact catch up to the lactose-free dairy market and has actually surpassed the declining low/no/reduced-carb market.

The sugar-free beverage market in the U.S. will reach US \$13.3 billion in 2011, and the sugar-free food market will reach US\$6.4 billion. The gluten-free market, by comparison is expected to have reached US\$1.3 billion in sales by 2011. However, the gluten-free market, which is still in its early growth, is expected to achieve higher growth rates (31%) from 2011 to 2014. Foods that are naturally free from gluten are not included in the Euromonitor gluten-free sales data.

Bakery products, which include cookies, crackers, cakes, cereal and other baked goods, are the single highest grossing packaged good category in the gluten-free market. However, the other gluten-free category, which includes a multitude of categories (including snacks) had the largest retail value and volume sales in 2010.

According to Mintel, there were around 3,000 new gluten-free snack product introductions in the U.S. from 2008 to 2010. Trends & Market Conditions Noted Recently in Media. Gluten-free has been described by consumers as: "a mainstream sensation, embraced by both out of necessity and as a personal choice toward achieving a healthier way to live." Sales in the category have doubled in the last 5 years and are expected to double again in the next 3 years to \$5.5 billion by 2015. Well over 15% of consumers are eating gluten-free as part of a healthy lifestyle not just due to dietary restrictions. Gluten-free, once thought a fad, is now a trend with more than 15% of North American households using gluten-free products.

- Perception by consumers that gluten-free foods are healthier
- 13% of consumers are eating/buying gluten-free to treat other health conditions/symptoms
- Packaged Facts also found that food manufacturers are blending more ancient grains, such as quinoa and amaranth into their gluten-free products, which increases nutrition, and may enhance flavor but also brings new and interesting food products to market
- Gluten-free products have improved in taste, quality and nutrition, consumers have more options and are buying, both, base ingredients and ready-to-eat packaged goods
- Improved product labeling, enhanced trust and confidence in ready-to-eat

foods

- Diagnosis of celiac disease and gluten-free sensitivity has grown with awareness of it by both consumers and health professionals. It often used to take up to 8 years for a diagnosis of celiac disease. Today with enhanced awareness and better diagnostic tools this number is dropping
- Small niche gluten-free marketers have grown into national forces requiring communication tools that go beyond word of mouth
- Internet has given a voice to a target group that relied on word of mouth and support groups limited to local communities
- Smaller local communities that once did not have access to products from larger cities now have access with the Internet and next-day delivery nationally
- The market for gluten-free products has grown to about 40 million consumers - up to four million of whom suffer from celiac disease, a medical condition that requires that they avoid eating gluten
- An additional 18 to 22 million eat gluten-free to manage gluten sensitivity. Add to that about 12 million consumers who are classified as gluten-intolerant and experience GI distress, but have not given up gluten completely. An additional three million purchase gluten-free products for fad or non-medical reasons.